

~~SECRET~~
CIA NESA

NESAR 82-007

Near East and South Asia Review

16 February 1982

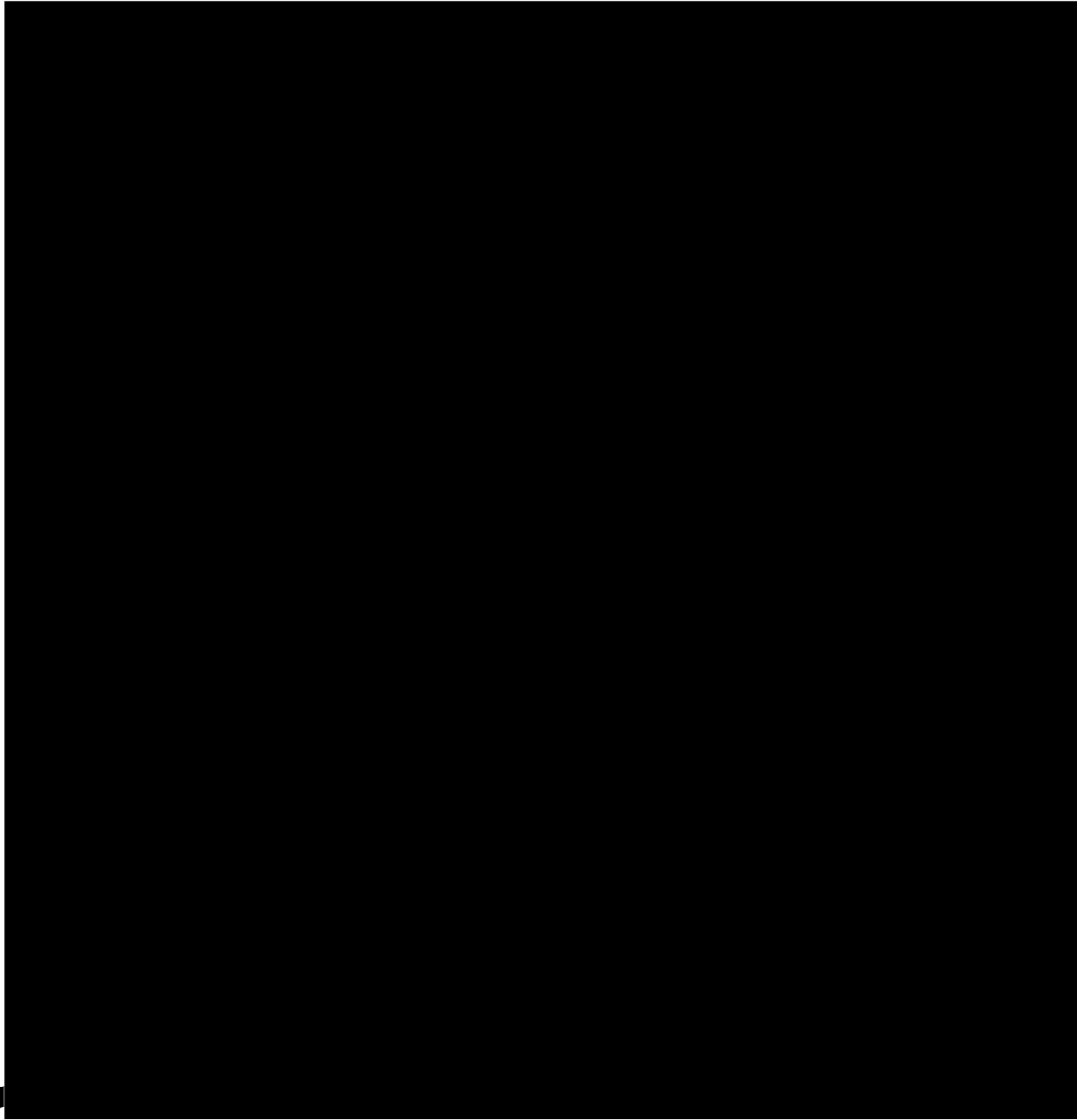
1/2

~~Secret~~

NESA NESAR 82-007
16 February 1982

APPROVED FOR RELEASE
DATE: AUG 2001

3 1 3 1



[REDACTED]

[REDACTED]

~~Secret~~
~~NOFORN-NOCONTRACT-~~
~~ORCON~~

1

3

7

Nepal: The Zone-of-Peace Concept and Indo-Nepalese Relations

Dick Shepard, 351-7228

King Birendra and his government are intensifying their campaign for international acceptance of Nepal as a zone of peace, but India is opposed to the idea and this could further strain bilateral relations, prompting Kathmandu to seek support in the United Nations.

~~Secret~~

~~Secret~~

Nepal: The Zone-of-Peace Concept and Indo-Nepalese Relations

King Birendra and his government are intensifying their campaign for international acceptance of Nepal as a zone of peace. The concept has been generally endorsed by the Nepalese people—including the democratic opposition—and a number of foreign countries have also expressed varying degrees of support.

Royal Motives

In campaigning for recognition of Nepal as a zone of peace, Birendra seeks to secure international guarantees against foreign interference in his country's internal affairs. The King is searching for a way to cope with India's hegemonistic and frequently insensitive attitude toward its smaller neighbors on the subcontinent.

Indira Gandhi's return to power in New Delhi in January 1980 intensified Nepal's fears. Her well-deserved reputation as a hardliner toward India's neighbors had been enhanced by campaign comments castigating her predecessors for allowing Nepal and Bhutan to treat India with "disrespect." She also alluded to "adjustments" she planned to make in Indo-Bangladeshi and Indo-Nepalese relations when she regained office.

The King almost certainly believes that India's acceptance of Nepal as a zone of peace would help guarantee his rule. New Delhi has long believed that its interest in Nepalese stability would be best served by establishing a democratic government in Kathmandu fashioned in New Delhi's image and susceptible to Indian influence. New Delhi has a long history of sheltering and financing exiled Nepalese democrats who have sought to overthrow the monarchy and set up a multiparty democracy.

The Concept

The zone-of-peace proposal consists of seven key points that rest upon the principles of reciprocity and mutuality of obligations. Birendra began his campaign for international recognition of this concept with a surprise announcement to assembled dignitaries at his coronation on 25 February 1975. Since then the concept has been publicly promoted as a means of immunizing Nepal against spillover from great power rivalry in the region and from any deterioration in relations among its neighbors, especially an arms race between India and Pakistan. The concept is consistent with Nepal's traditional adherence to nonalignment, the principles of peaceful coexistence, and noninterference in the affairs of other nations.

~~Secret~~

[REDACTED]

The quest for international support has been somewhat aggressive in the past and has proved embarrassing to a number of countries—including the United States. In deference to India's preeminence in the region, several countries have been reluctant to extend unqualified support for this concept for fear of complicating their relations with New Delhi. [REDACTED]

[REDACTED]

The Special Relationship

Nepal's highly sensitive and complex relationship with India is central to the entire rationale for a zone of peace. India and Nepal share a long, open border and are inextricably linked by historical, cultural, religious, and economic ties. Indian influence is pervasive, and New Delhi's economic leverage is impressive; a former Nepalese Prime Minister once described his country as not only landlocked but "India-locked." India controls Nepal's access to the sea through the port of Calcutta. In addition, New Delhi is Kathmandu's largest aid donor and trading partner, accounting for well over half of Nepal's foreign trade. [REDACTED]

Kathmandu denies that Nepal wishes to return to its pre-1950 isolation or become a buffer state between India and China. Under the zone-of-peace concept, Nepalese foreign policy avowedly would continue to be based on what Kathmandu calls "positive neutralism," which would enable it to participate actively in all international issues and judge each on its merits. [REDACTED]

International Support

The King has elicited varying degrees of support from numerous governments in official contacts both abroad and in Kathmandu. About 25 countries have endorsed the concept at least in principle. China—the first to do so—has been followed by all of the states on the subcontinent except India. The USSR initially hinted at support, but in recent years the Soviets have not commented on the issue, presumably at India's behest. [REDACTED]

Indian Security Interests

[REDACTED]

India's policies toward Nepal are determined chiefly by New Delhi's security interests along the sensitive Sino-Indian frontier. New Delhi wants a stable government in Kathmandu that is not susceptible to

~~Secret~~

~~Secret~~

Chinese influence. Beginning with Nehru, Indian prime ministers have insisted that India's legitimate security concerns are bounded by the Himalayas and have resisted initiatives that might reduce New Delhi's security options. [REDACTED]

India has postponed action on Nepal's proposal, claiming that the concept is under "active consideration," but that it "needs clarification." India also states that recognizing Nepal as a zone of peace is redundant because in the 1950 Indo-Nepalese Treaty of Peace and Friendship, India acknowledges Nepalese sovereignty and independence and "guarantees" that Nepal has nothing to fear from India. New Delhi also notes the continuing improvement in Sino-Indian relations and an Indian proposal to make all of South Asia a zone of peace. [REDACTED]

Nepal claims that a Nepalese zone of peace is completely compatible with the 1950 treaty, that it will not change the close and cordial nature of Indo-Nepalese relations, and that there is no question of denying India's security interests. Nepal has not been able to assure New Delhi, however, that Indian security would not be damaged [REDACTED]

New Delhi's stalling on the issue has only intensified Kathmandu's fears of Indian domination and rallied domestic support around the King's proposal. To the Nepalese, India's nonacceptance implies that New Delhi does not recognize Nepalese sovereignty, contemplates interference in Nepalese internal affairs, and may have designs on Nepalese territory. [REDACTED]

Outlook

The stalemate on Nepal's proposal will continue to aggravate Indo-Nepalese relations. India's ambivalence will only heighten Nepalese suspicions. Although the King is aware of the odds against approval by Gandhi, he cannot afford the political damage implicit in shelving the proposal. [REDACTED]

If India refuses to budge or if bilateral endorsement tapers off, Nepal is likely to seek backing from friendly countries for some sort of UN motion. Birendra reportedly had planned to raise the issue in the General Assembly last fall, but Indian pressure on key members of his government allegedly thwarted the attempt. [REDACTED]

Prospects for gaining Indian support are bleak, but the King may be able to find a solution that would enable the Indians to support the concept without sacrificing their security options. India will continue to treat the Nepalese proposal as an annoyance and will comment negatively on it to potential supporters who value their relations with New Delhi. [REDACTED]

India continues to hold most of the cards in important economic matters such as trade, transit, and the development of water resources, and Nepal will remain generally dependent upon Indian good will. Continued badgering on the zone-of-peace concept could prove counterproductive by fueling Indian reluctance to grant economic concessions. [REDACTED]

[REDACTED]

~~Secret~~

[REDACTED]